~~PUBLIC UTILITIES COMMISSION~~
~~505 VAN NESS AVENUE~~
~~SAN FRANCISCO, CA 94102-3298~~

~~November 4, 2022~~ ~~**Agenda ID #**~~
~~**Ratesetting**~~

~~TO PARTIES OF RECORD IN APPLICATION 22-05-002 ET AL.:~~

~~This is the proposed decision of Administrative Law Judges Jungreis and Toy. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's December 1, 2022 Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.~~

~~Parties of record may file comments on the proposed decision on November 17, 2022, and reply comments are due on November 22, 2022 as stipulated to by all parties in the Joint Response of Parties to Administrative Law Judge Ruling Requesting Parties to Expressly Stipulate or Expressly Decline to Stipulate to Shorten Time for Comments on the Phase 1 Proposed Decision, filed by Pacific Gas and Electric Company on October 27, 2022.~~

~~The Commission may hold a Ratesetting Deliberative Meeting to consider this item in closed session in advance of the Business Meeting at which the item will be heard. In such event, notice of the Ratesetting Deliberative Meeting will appear in the Daily Calendar, which is posted on the Commission's website. If a Ratesetting Deliberative Meeting is scheduled, *ex parte* communications are prohibited pursuant to Rule 8.2(c)(4).~~

~~/s/ MICHELLE COOKE~~
~~Michelle Cooke~~
~~Acting Chief Administrative Law Judge~~

~~MLC: mph~~
~~Attachment~~

ALJ/JSJ/GT2/mph /mef **PROPOSED DECISION** **Agenda ID #21128 (Rev. 1)**

**Ratesetting**
**12/1/2022 Item #23**

Decision **PROPOSED DECISION OF ALJs JUNGREIS AND TOY**
**(Mailed 11/4/2022)**

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

| | |
|---|---|
| Application of Pacific Gas and Electric Company (U39E) for Approval of its Demand Response Programs, Pilots and Budgets for Program Years 2023-2027. | Application 22-05-002 |
| And Related Matters | Application 22-05-003<br>Application 22-05-004 |

**DECISION APPROVING INVESTOR-OWNED UTILITES' DEMAND RESPONSE PROGRAMS, PILOTS, AND BUDGETS FOR BRIDGE YEAR 2023**

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# DECISION APPROVING INVESTOR-OWNED UTILITES' DEMAND RESPONSE PROGRAMS, PILOTS, AND BUDGETS FOR BRIDGE YEAR 2023

## Summary

This decision approves the demand response programs, pilots, and budgets for Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company for the 2023 Bridge Year.

The proceeding remains open to consider utility and intervenor proposals for demand response programs, program modifications, pilots, and budgets for 2024-2027.

## 1. Background

Demand Response (DR) programs encourage reductions, increases, or shifts in electricity consumption by customers in response to economic or reliability signals. Such programs can provide benefits to ratepayers by reducing the need for construction of new generation and the purchase of high-priced energy, among others. Commission Decision (D.) 17-12-003[1] directed Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), and Southern California Edison Company (SCE) (collectively, the Utilities) to file by November 1, 2021 their 2023-2027 DR portfolio applications. A September 30, 2021 letter issued by the Commission's Executive Director extended the deadline to May 2, 2022.

On May 2, 2022, PG&E (Application (A.) 22-05-002), SDG&E (A.22-05-003), and SCE (A.22-05-004) filed their respective 2023-2027 DR portfolio applications. Pursuant to Rule 7.4, an Administrative Law Judge (ALJ) Ruling issued on May

[1] D.17-12-003 approved the Utilities 2018-2022 DR Programs.

25, 2022 consolidated these applications (A.22-05-002 *et al*.,). On June 6, 2022, a Protest to the consolidated applications was filed by the Public Advocates Office of the California Public Utilities Commission (Cal Advocates), and Responses to the consolidated applications were filed by the Small Business Utility Advocates (SBUA), Leapfrog Power, Inc. (Leapfrog), Google LLC, CPower and Enel X North America, Inc. (Enel X), California Efficiency + Demand Management Council (the Council), Polaris Energy Services (Polaris), Marin Clean Energy (MCE), Center for Energy Efficiency and Renewable Technologies (CEERT), California Energy Storage Alliance (CESA), California Large Energy Consumers Association (CLECA), and the Vehicle Grid Integration Council (VGIC). Per ALJ Ruling, replies were filed on June 13, 2022 by PG&E, SDG&E, and SCE.

A prehearing conference (PHC) was held on June 16, 2022 to discuss the scope, schedule, and other procedural matters. At the PHC, oral Rule 1.4(a)(3) Motions for Party Status were presented by OhmConnect, Inc., Weave Grid, Inc., and Voltus, Inc. These Motions were granted at the PHC. On July 5, 2022, the Assigned Commissioner's Scoping Memo and Ruling (Scoping Memo) was issued, detailing the scope and schedule of this proceeding. The Scoping Memo detailed a phased schedule for this proceeding, with Phase I focusing on the 2023 Bridge Year Funding as well as 2024 funding for the Demand Response Auction Mechanism (DRAM) Pilot. Phase II will address the Utilities' 2024-2027 DR program proposals, the future of the DRAM Pilot, and any issues remaining following the conclusion of Phase I. A virtual workshop took place on July 7, 2022, related to the Demand Response Auction Mechanism Evaluation Report written by Resource Innovations (formerly known as Nexant) in partnership with Gridwell Consulting (Nexant Report). Parties submitted a Joint Motion for Admission of Evidence on August 17, 2022.

Opening briefs were filed on the issues related to 2023 Bridge Year funding on August 22, 2022 by PG&E, SCE, SDG&E, Cal Advocates, SBUA, Polaris, the Council, CLECA, and Ohm Connect, Inc. Reply briefs were filed on September 2, 2022 by SCE, PG&E, SDG&E, Cal Advocates, SBUA, the Council, and OhmConnect.

## 2. Phase I Issues: 2023 Bridge Year Funding

Given the late filing of these applications, the Utilities requested that we initially consider on an expedited schedule their requests for 2023 Bridge Funding, in order to ensure the continued operation of their DR programs through 2023, while leaving consideration of the 2024-2027 program year budgets until a later time (Phase II). Due to the expedited schedule, Utilities' proposals were designed to mainly reflect DR programs, activities, and budgets as approved for 2022. The Scoping Memo granted the request to expedite proposals for 2023, and set forth the following issues to be considered in this initial Phase I:

1. Do the applications of PG&E, SCE, and SDG&E requesting approval of DR programs and budgets for Year 2023 advance the goals, principles, and guidance adopted in D.16-09-056 and comply with the directives in D.16-09-056, D.17-12-003, D.21-03-056, and D.21-12-015 as well as other relevant directives listed in prior Commission decisions and rulings?
2. Are the Utilities' proposed 2023 changes to DR programs and activities, including pilot recommendations and Rule 24 Program Information Technology (IT) system enhancements, reasonable and should they be adopted? Similarly, are parties' proposed changes to Utilities' programs reasonable?
3. Are the Utilities' requested budgets to implement the proposed programs and cost and rate recovery requests, including continued fund shifting flexibility, reasonable?
4. Are the Utilities' proposed programs and portfolios cost-effective pursuant to cost-effectiveness protocols adopted

in D.15-11-042 and D.16-06-007? If they are not cost-effective, should they be adopted?

5. Should ratepayers provide $750,000 in 2023 for continued modeling of DR potential and related research overseen by Energy Division?

Issues in the Phase I Scoping Memo related to the DRAM Pilot and DR Energy Division Research will be addressed in a later decision.

## 3. Admission of Testimony and Exhibits into Record

In order to fairly access the record, it is necessary to include all testimony and exhibits served by PG&E, SCE, SDG&E, SBUA, the Council, Ohm Connect, and Cal Advocates. With their applications, SCE[2], PG&E[3], and SDG&E[4] served their initial Testimony. On July 13, ~~2020~~2022, Cal Advocates (Exhibit CalAdvocates-01), SBUA (Exhibit SBUA-1), and OhmConnect (Exhibit OhmConnect-1) served their Opening Phase I Testimony. On August 3, 2022, the Council (Exhibit Council-1), PG&E,[5] SDG&E,[6] and SCE[7] served their Phase I

[2] SCE-01, Exhibit 1 – Policy (2023 Bridge Year only; SCE-02 Exhibit 2 – SCE's 2023 Proposed Demand Response Programs Bridge Funding Request; SCE-03, Proposed Demand Response Programs by Category (2023 Bridge Year Only); SCE-04, Exhibit 1 – Program Incentive Development/Cost-effectiveness Analysis/Program Enrollment and Load Impact Forecasts/Revenue Requirement and Cost Recovery (2023 Bridge Year only); SCE-05, Witness Qualifications; SCE-06, Phase I Reply Testimony.

[3] PG&E-1, PG&E's 2023-2027 Demand Response Programs, Pilots, and Budgets Prepared Testimony, Exhibit 1 – 2023 Bridge Funding; PG&E-5, Council E-mail Response to PG&E.

[4] SDGE-1A, Prepared Direct Testimony of E Bradford Mantz – Chapter 1A; SDGE-2A, Prepared Direct Testimony of Ellen Kutzler – Chapter 2A; SDGE-3A, Prepared Direct Testimony of E April Bernhardt – Chapter 3A; SDGE-4A, Prepared Direct Testimony of Lizzette Garcia-Rodriguez – Chapter 4A; SDGE-5A-R, Revised Prepared Direct Testimony of Brenda Gettig – Chapter 5A; SDGE-6A, Prepared Direct Testimony of Kenneth C. Pitsko – Chapter 6A;

[5] PG&E-3, PG&E's 2023-2027 Demand Response Programs, Pilots, and Budgets Prepared Testimony, Exhibit 3 – 2024 Bridge Funding, Rebuttal Testimony

[6] SDGE-7A, Prepared Rebuttal Testimony of E Bradford Mantz – Chapter 7A; SDGE-8A, Prepared Rebuttal Testimony of Brenda Gettig – Chapter 8A.

[7] SCE-06, Phase I Reply Testimony.

Rebuttal Testimony. On August 17, 2022, the parties filed a Joint Motion to Offer Prepared Testimony into Evidence (Joint Motion). No objection to the Joint Motion was raised. Good cause being shown, and in the absence of party objection, the Joint Motion is granted, and these exhibits are formally accepted into the record for consideration in this proceeding.

## 4. Demand Response 2023 Bridge Year Application Summaries and Intervenor Responses

The Utilities filed their applications on May 2, 2022. Each Applicant provided testimony describing its proposed DR program and corresponding budget. Each application provided a separate request for both the 2023 Bridge Year and for the combined 2024-2027 years. This Decision will address only the 2023 Bridge Year DR program requests, except where it determines that specific 2023 Bridge Year program proposals should not be addressed until we consider the 2024-2027 DR program requests. As such, this Decision will mainly seek to ensure continuity in 2023 of Utilities' DR programs, as large updates or changes to the DR programs will be considered and addressed in Phase II of this proceeding. This Decision will first address each application and any party comments and suggested changes specific to each application, with any comments or changes applicable to more than one Utility's proposal addressed later.

## 5. PG&E Application

PG&E's overall DR application seeks approval for revenue requirements of \$870.5 million from 2023-2027.[8] PG&E's overall program goals are to enhance its Base Interruptible Program (BIP), Capacity Bidding Program (CBP), SmartAC Program, and the automated DR (Auto DR) incentive mechanism. It also

[8] PG&E Application, at 1.

proposes a new Automated Response Technology program, as well as a residential Smart Panel Pilot and Agricultural DR Pilot. It also asks for approval to continue administering the Emergency Load Reduction Program (ELRP) through 2025.

### 5.1. PG&E 2023 Bridge Year Request

PG&E's 2023 Bridge Year funding request mainly seeks to continue its DR programs as authorized in the 2022 program year. PG&E requests $69.3 million[9] for 2023 Bridge Year funding, with recovery by an increase in revenue requirement for January 1, 2023 to January 1, 2024. PG&E's 2022 approved budget was $64.89 million.[10] The Bridge Year funding request includes increased budgets for CBP program incentives, Auto DR, Rule 24 IT system enhancements, retail, customer, and market activities. PG&E forecasts its 2023 DR programs will provide 612 Megawatts (MW) of capacity.[11]

For BIP, PG&E requests $32.4 million, the amount approved in 2022. No programmatic changes are proposed.

For CBP, PG&E requests $5.3 million to fund proposed changes, with the $1.3 million increase due to incentives. PG&E also proposes a number of programmatic changes[12], including:

- reducing the CBP program hours to 4:00 pm to 9:00 PM, from 1:00 to 9:00 PM;

[9] PG&E's original application requested $70.1 million, *see* PG&E Application at 13. In its rebuttal testimony, PG&E revised this number down to $69.3 million due to an error in the proposed budget of its Auto DR Program. *See* PG&E-3, at 1-4.

[10] PG&E-3, at 3-2.

[11] PG&E Application, Exhibit 2, at 1-2, Table 1-1.

[12] PG&E-1, at 1-9-10.

- increasing CBP capacity incentive rates,[13]
- adjusting the settlement process for California Independent System Operator (CAISO) wholesale energy payments, such that PG&E could calculate energy payments and penalties based on CAISO hourly energy prices, leading to faster pass-through energy payments;[14]
- making permanent the option to enroll electronically in CBP;[15]
- recovery of Resource Adequacy market-related penalties;
- revising the nomination window to 70-day deadlines;[16] and
- refinement of the Elect bid options, such that Aggregators offer a low bid and high bid level, as well as continuing the bid cap at $650 per megawatt-hour (MWh) for CBP, as well as other adjustments.

For the SmartAC program, PG&E requests $6.4 million to operate the program in 2023, but does not propose any changes.

PG&E also seeks authority in 2023 to market integrate its Bring Our Own Thermostat (BYOT) pilot by enrolling customers in supply-side DR programs, which D.21-12-015 approved and funded through 2023.

For the Permanent Load Shift Thermal Energy Storage Program (PLS-TES) PG&E seeks to end the five-year monitoring requirement to submit thermal energy storage post-installation monitoring data. This change, if denied, would increase PG&E's budget request.

[13] PG&E-1, at 1-11: 15-16.

[14] PG&E Phase I Opening Brief, August 22, 2022, at 18.

[15] PG&E-1, at 1-12:23-1-13:27.

[16] PG&E-1, at 1-14:21-1-13:27

For all DR Operations activities, PG&E requests funding to implement IT operations and enhancements to ensure anticipated growth in CAISO registrations can be met going forward. PG&E requests an incremental $6.6 million and to carry forward the $8.7 million in annual funding previously authorized.

For Auto DR, PG&E requests $4.6 million,[17] an increase of $407,000, with no other changes to the program as approved for 2022.

PG&E requests increased budget for Support Market Activities and Support Retail and Customer Facing Activities. These increases are $453,000 and $1.66 million, respectively. These changes are to provide operational and IT system support for PG&E's portfolio of DR programs.

No program changes or budget increases beyond what was approved for 2022 are requested for the Optional Binding Mandatory Curtailment (OBMC) program, Scheduled Load Reduction Program (SLRP), and DR Emerging Technology (DRET) ($1.51 million total). Decreased funding is requested for marketing, education, and outreach (MEO) activities, and load impact evaluations. ELRP pilot funding was previously authorized in a separate decision (D.21-12-015.), and no incremental funding is requested here.

### 5.2. Intervenor Comments on PG&E Program Proposal and Analysis

Opening briefs that specifically addressed PG&E's proposal were filed by Cal Advocates, the Council, PG&E, SBUA, and Polaris. Reply briefs were filed by Cal Advocates, PG&E, and the Council. These comments discussed PG&E proposals that PG&E has ultimately agreed to hold for consideration until Phase II, as well as other proposals that PG&E would still like to implement for the 2023

[17] PG&E-3, at 1-2.

Bridge Year. PG&E continues to propose three changes to its CBP: 1) modifications to the program hours, 2) increased monthly capacity incentives, and 3) earlier energy payments. Comments were also filed regarding PG&E's proposed budget increase related to Rule 24 IT enhancements. The following sections will consider the issues raised by the parties, PG&E's response, and provide analysis.

#### 5.2.1. Proposals PG&E Agreed to Delay Consideration of Until Phase II

PG&E's CBP is an economic DR program that provides capacity and energy incentives for aggregators and customers that self-aggregate.[18] It is a day-ahead DR program which offers various products that include various bid options and event durations. It operates from 1:00 PM to 9:00 PM Monday to Friday, from May to October of each year. CBP capacity incentives are based on the amount of load nominated by aggregators for each of their resources each month and energy payments are based on each resource's load reduction per settlement quality meter data during an event when dispatched by CAISO. Penalties can be applied for under-performance.

Parties have asserted that PG&E's proposed CBP modifications regarding Resource Adequacy (RA) supply plan alignment should not be approved in Phase I of this proceeding, as they are not necessary for 2023 operations. DR will not be required to be included in RA supply plans before 2025.[19] Cal Advocates' testimony suggests deferring consideration of any RA-related changes to Phase II, which include changes to the nomination window, changes to the Elect Bid Price Options, and allowing for recovery of RA-related market penalties via the

[18] PG&E-1, at 1-6:20-1-7:3.

[19] CalAdvocates-01, at 1-2.

DR Expenditures Balancing Account.[20] The Council and Polaris, in opening briefs, support the delayed consideration of these issues in Phase II.[21] Polaris supports the delayed consideration of these changes but especially the nomination window change, as proposed by PG&E, since annual precipitation and crop plans are often unknown 70 days ahead of the planned month, making nominations tenuous.[22]

PG&E in its rebuttal testimony and reply brief stated that due to intervenor testimony and briefing it was revising some of its recommendations, and now recommends that consideration of certain PG&E's CBP changes be delayed until Phase II.[23] This includes PG&E's proposals to revise the CBP nomination window, revise Elect Bid Prices, and address recovery of RA market-related penalties.[24]

Cal Advocates also recommends only extending the electronic enrollment pilot until 2023, as opposed to making the program permanent, due to a lack of information regarding the program's viability.[25] PG&E agreed to delay seeking permanent status for the electronic enrollment process, and instead agrees to continue it as a pilot program through 2023.[26]

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[20] *Id*.

[21] The Council Phase I Opening Brief, August 22, 2022, at 3; Polaris Phase I Opening Brief, August 22, 2022, at 4.

[22] Polaris Phase I Opening Brief, August 22, 2022, at 3.

[23] PG&E Phase I Phase I Reply Brief, September 2, 2022, at 3; PG&E-3, at 1-7:9-13.

[24] *Id*.

[25] Cal Advocates Opening Brief at 6; Exh. CalAdvocates-01, at 1-5:3-16

[26] PG&E Opening Brief at 19.

Given party agreement on the issue, it is therefore reasonable to decline to review these proposed changes at time, and defer consideration until Phase II. The electronic enrollment process is approved as a pilot through 2023.

#### 5.2.2. Modification to CBP Hours

PG&E proposes to alter the CBP hours of 1:00 PM to 9:00 PM, to 4:00 PM to 9:00 PM, in order to target "the times of day that the CAISO determined to have the greatest need from a reliability perspective." PG&E notes that CBP events are rarely called before 4:00 PM.[27] With regard to the proposed modifications to CBP hours, Cal Advocates ~~states that the change conflicts with Commission direction to modify March and April RA measurement hours to 5:00 PM to 10:00 PM in order to align with the CAISO's Availability Assessment Hours.~~[~~28~~] ~~Cal Advocates also~~ notes a lack of empirical analysis to support the change, and requests that consideration ~~should~~ be delayed until Phase II.[~~29~~28] However, PG&E notes that the RA measurement hours when CBP runs, from May to October, remain 4:00 PM to 9:00 PM,[29] and that prior Commission decisions have changed RA measurement hours to align with CAISO Availability Assessment Hours.[30] The Council argues that PG&E's proposal to alter the program window modifications should be approved, as these changes would align CBP availability with RA measurement hours.[31] The

[27] PG&E-1, at 1-7:21-1-8:2; PG&E Phase I Opening Brief, August 22, 2022, at 16.

~~[28] CalAdvocates-01, at 1-3:10-17.~~

[~~29~~28] CalAdvocates-01, at 1-3:10-17; Cal Advocates Phase I Opening Brief, August 22, 2022, at 4.

[29] PG&E-1, at 1-7:23-28.

[30] ~~PG&E-1~~*See* D.22-06-050, at ~~1-7:23-28~~14-15.

[31] The Council Phase I Opening Brief, August 22, 2022, at 3;

Council asserts that such a change would ensure the program can support grid reliability during times of greatest need.[32]

We find that for consistency purposes, it is reasonable to alter the CBP hours to 4:00 P.M. to 9:00 P.M., as proposed by PG&E. Cal Advocates references D.22-06-050, noting that the decision altered the March and April RA hours to 5:00 PM to 10:00 PM only after the issue had been litigated. However, that decision also noted that the change was made to be consistent with the CAISO's availability assessment hours,[33] which remain 4:00 PM to 9:00 PM from May to October when the CBP program runs.[34] PG&E's proposed change to the CBP hours, to 4:00 PM to 9:00 PM, matches the CAISO's availability assessment hours, and is approved.

#### 5.2.3. Increase CBP Monthly Capacity Incentives

PG&E also proposes to increase the monthly capacity incentives paid to aggregators,[35] by an average of $1.61/kilowatt-hour (kWh).[36] This would mean a $1.3 million increase to the CBP incentive budget for the 2023 Bridge Year. PG&E states that the increase is needed to align itself with other Investor-Owned Utility (IOU) incentive offerings and to stimulate additional interest and participation in the system, as rates have not been changed since 2018.[37]

Cal Advocates recommends delaying review of this issue until Phase II. Cal Advocates notes that PG&E did not provide any analysis showing the

[32] CLECA Phase I Reply Brief, September 2, 2022, at 2-3.

[33] D.22-06-050, at 14-15.

[34] Council-1, at 2.

[35] PG&E-1, at 1-11:2-15.

[36] CalAdvocates-01, at 1-3:19-20.

[37] PG&E-1, at 1-11:8-11.

benefits that would result from this increased expenditure,[38] and that such an analysis should have increased importance given that the CBP cost-effectiveness as measured by the Total Resource Cost (TRC) metric for the 2024-2027 cycle is less than 1. Cal Advocates therefore argues that increasing costs for a program with costs greater than the benefits it provides would not be reasonable.[39] PG&E notes that significant increased participation (59.5 percent more nominated capacity)[40] was seen in October 2021 over October 2020 after increased payments were implemented in D.21-03-056, and that the increased payments would drive participation that is needed to support reliability concerns.[41] The Council states that increased incentives are needed to "attract more CBP capacity."[42]

Although there was increased CBP participation shown in October 2021, possibly linked to increased payments, there remains an outstanding question of the overall viability of CBP. Given that the TRC is below 1 for the proposed 2024-2027 years, the cost-effectiveness of the program is in question. Prematurely increasing incentive rates without sufficient analysis may prove detrimental to the program, should it be determined in Phase II that the optimal incentive levels are less than those proposed by PG&E for 2023. CBP participants may be put off by a decrease in incentive rates. The consideration of increased PG&E CBP incentive levels will therefore be addressed in Phase II of this proceeding.

#### 5.2.4. Expedite CBP Aggregator Energy Payments

[38] Cal Advocates Phase I Opening Brief, August 22, 2022, at 4.

[39] *Id.*, at 5.

[40] PG&E-1, at 1-11:4-7.

[41] PG&E Phase I Opening Brief, August 22, 2022, at 17.

[42] The Council Phase I Reply Brief, September 2, 2022, at 3.

Currently, PG&E passes energy payments through to its CBP Aggregators as they become available from CAISO. This process is based on settlement quality meter data, which becomes available 70 business days after an event, with any disputes taking 11 months or more to finalize.[43] PG&E proposes to change this so that payments and penalties are calculated based on CAISO hourly energy prices. PG&E plans to align the energy and capacity payment processes, which will allow for much earlier payments, incentivizing program participation.[44] PG&E proposes to submit a Tier 2 Advice Letter (AL) detailing the proposed calculation methodology following approval in this decision.[45]

Cal Advocates, in testimony notes the possibility of ratepayers and aggregators facing harms due to PG&E's modified pass-through energy payment framework, should PG&E calculations differ from the final payments and penalties assessed by CAISO.[46] Cal Advocates therefore recommends that the issue be tabled until Phase II, when PG&E can present a more thorough proposal. The Council agrees with PG&E, stating that any potential ratepayer harms due to the pass-through energy payments can be dealt with via a Tier 2 Advice Letter true-up mechanism.[47]

Given the current lack of calculation methodology by PG&E, it is not clear what benefits PG&E's proposal will provide. Although it would possibly expedite payments, without a clear proposal there is not enough record to

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[43] PG&E-1, at 1-12:7-12.

[44] *Id.*, at 1-12:13-21.

[45] PG&E-1, at 1-12:19-21.

[46] CalAdvocates-01, at 1-4:16-18.

[47] The Council Phase I Opening Brief, August 22, 2022, at 4.

adequately consider this change at this time. The Commission declines to consider this issue at time and will take it up in Phase II.

#### 5.2.5. PG&E Rule 24 IT System Enhancement Budget Request

PG&E's proposed Rule 24 budget supports IT operations and maintenance, Rule 24 full-time employees, and vendor costs for Customer Information Service Request - DRP processing. These costs total $1.93 million. Additionally, PG&E proposes to spend $2.279 million in IT system enhancements, which it states are necessary to meet projected Rule 24 data sharing authorization requests. This projection was estimated using estimated growth from the five most active Demand Response Providers (DRPs)[48] for the period of 2022-2024, and applying varying escalation rates onward to 2027.[49] In the low case, PG&E forecasts growth from 255,465 authorizations to 714,994 by 2024. PG&E also forecasts significant increases in CAISO DR Registration System Locations for third-party DRPs and PG&E wholesale market integrated programs, from 212,802 to 595,590 in 2024.[50] These projections were used in lieu of a workshop originally requested by PG&E to estimate authorizations growth.[51]

PG&E states that the funding will be used for general ($1.075 million) and specific ($1.204 million) IT enhancements. General enhancements will include routine maintenance and upgrade of equipment, ongoing testing, and

[48] A DRPs is a commercial entity that provides demand response services such as assisting retail customers with strategies or technology to reduce their electric consumption and then making the electric load reductions as a 'bid' in wholesale energy markets.

[49] PG&E-1, at 2-6:25-2-7:4.

[50] PG&E-1, at 2-9:15.

[51] *Id*. at 2-8:15-22.

improvement of Rule 24-related systems.[52] Specific enhancements will include: (1) the purchase and configuration of Salesforce licenses to efficiently track communications with DRPs and retail customers who experience problems during registration, (2) billing system modifications to reduce the frequency of errors during dual participation checks, and (3) the development of software tools to partially automate the research necessary to resolve Rule 24 registration problems.

Cal Advocates claims that PG&E has not provided sufficient evidence to justify these enhancements, and that any determination about the need for these enhancements must wait until it is determined whether the DRAM Pilot is approved on an ongoing basis.[53] PG&E's total number of authorizations as of April 2022 was 125,000; its capacity is 200,000.[54] The Council supports PG&E's proposed increased IT funding.[55]

Given the projections presented by PG&E, it is reasonable to approve the requested budgets for general and specific Rule 24 IT enhancements. The number of authorized accounts has continuously increased since 2016. Continued future growth in number of authorized accounts is likely, given OhmConnect's 550 megawatt DR resource, as well as the potential for Community Choice Aggregators to use DR to meet RA obligations.[56] Given that PG&E's total capacity is 200,000, and that number will likely be approached by the end of 2022, it would be reasonable to begin enhancements to ensure there

[52] *Id*. at 2-14-2-16.

[53] Cal Advocates Phase I Opening Brief, August 22, 2022, at 7-8.

[54] CalAdvocates-01, at 1-5-1-6.

[55] The Council Phase I Reply Brief, September 2, 2022, at 3-4.

[56] PG&E-1, at 2-4:11-2-6:10.

are no technical issues during the 2023 Bridge Year which could impede the growth of DR resources. PG&E's requested Rule 24 IT enhancement budget is approved.

### 5.3. Other Proposed Programmatic Changes Unaddressed in Party Comment

PG&E's 2023 Bridge Year proposal also included a number of other programmatic or budget changes which went unaddressed by other parties:

- Ending the Permanent Load Shift (PLS) program's five-year post installation data submission requirement, saving $687,705 over five years;[57]
- An increase in the Auto DR program budget of $407,000 over 2022;
- Decreased funding of $348,000 for core marketing, education, and training;
- Increased funding to support retail, customer facing, and market activities, totaling $2.11 million;
- Decrease of $44,000 to the measurement and evaluation activities budget;
- Market Integration of a Bring Your Own Thermostat (BYOT) pilot[58] approved in R.20-011-011.

These changes are reasonable and approved.

### 5.4. Programmatic Analysis

PG&E's BIP, Smart AC, OBMC, SLRP, and DRET Programs were unchanged and funding has been proposed at or below 2022 levels. The BIP and Smart AC programs provide hourly load reductions during monthly system

[57] PG&E Phase I Opening Brief, August 22, 2022, at 9; PG&E-1, at 1-23:1-34-1-24:1-7.

[58] PG&E-1, at 1-19:3-10.

peaks,[59] and program participation is expected to continue growing.[60] The OBMC and SLRP do not have many customers or associated savings, but are also low cost ($7,992 combined budget). It is reasonable to approve these programs at this time, given their low cost. The DRET budget allows PG&E to provide semiannual reports regarding emerging technology.[61] It is reasonable to fund this research at a similar level as 2022. These programs and their associated budgets are approved.

Changes as discussed above were proposed for the PLS, BYOT, Auto DR, ELRP, MEO, and Measurement and Evaluation programs. No party commented on these changes. These changes as discussed above are reasonable and approved.

Cal Advocates challenged PG&E's proposed budget increase for Rule 24 IT enhancements. As discussed above, the changes are reasonable due to likely authorization request increases. Without the IT enhancements, PG&E may have issues servicing the number of authorized accounts through the end of 2023. The increased Rule 24 IT budget is approved as requested by PG&E.

PG&E proposed a number of programmatic changes to its CBP. The change to CBP program hours is approved. PG&E's other proposed changes will be considered in Phase II of this proceeding. The CBP is projected to provide PG&E with load reduction, and should continue to grow through 2023.[62] It is reasonable to approve the program. PG&E's proposed 2023 Bridge Year budget for CBP Incentives is decreased to $3,439,000, as was approved for 2022.

[59] PG&E-1, at 1-30, Table 1-6;

[60] PG&E-1, at 1-31:1-19.

[61] PG&E-1, at 1-25:10-19.

[62] PG&E-1, at 1-30, Table 1-6; PG&E-1, at 1-31:8-12.

It is reasonable to continue PG&E's programs to ensure continued operation through 2023 while this proceeding considers PG&E's 2024-2027 DR program proposals. PG&E's proposed 2023 DR Bridge Year programs and budget are similar to what was approved for 2022 and are reasonable. They are therefore approved, subject to the changes discussed above. PG&E's total approved DR budget for the 2023 Bridge Year is $67,957,528.

### 5.5. Cost Recovery

For cost recovery, PG&E proposes for the 2023 Bridge Year annual revenue requirement to continue using the Annual Electric True-Up (AET) Advice Letter process to recover its costs through distribution rates using the Distribution Revenue Adjustment Mechanism.[63] It also asks to continue using the Demand Response Expenditure Balancing Account (DREBA) and its existing subaccounts to track the program expenses and authorized budget. These are the same cost recovery methods as approved in D.17-12-003.[64] PG&E also seeks authority to carry over operations funds unused in 2023 to the 2024 program year, and use any unspent and uncommitted funds from the 2018-2022 program years to offset the revenue requirement for the 2023-2027 program cycle.[65]

No party addressed PG&E's cost recovery proposal. It is reasonable to allow PG&E and the other Utilities to utilize unspent and uncommitted funds from previous DR program cycles to pay for ongoing 2023-2027 cycle costs. PG&E's cost recovery proposal is approved.

[63] Application at 12.

[64] D.17-12-003, at 138.

[65] PG&E-3, at 3-3:8-19.

### 5.6. Conclusion

PG&E's budget and proposed changes are approved as discussed above for the 2023 Bridge Year. Total approved budget for the 2023 Bridge Year is $67,957,528.

## 6. SCE Application

SCE proposes a budget of $942 million for the 2023-2027 DR program cycle.[66] SCE's overall program goals are to move DR participants towards automated and technology agnostic mass market approaches, and to continue but also simplify the ELRP Pilot.

### 6.1. SCE 2023 Bridge Year Request

SCE requests $151 million for its 2023 DR program Bridge Year Funding, consisting of DR activities funded at the same level as 2022, ELRP activities, and $350,000 in inflation escalation factors. SCE's 2022 approved budget was $145.056 million.[67] SCE estimates its 2023 DR programs will produce 779 MW of projected peak load reduction.[68] SCE has not proposed any programmatic changes.[69] This includes funding in the amounts of:

- $130.1 million for supply-side DR programs;
- $87,000 for load modifying DR programs;
- $458,000 for DRAM and Rule 24;
- $11 million for Emerging and Enabling Technology Programs;
- $251,000 for pilots;

[66] SCE Application, at 2.

[67] SCE-02, at 8, Table V-2.

[68] SCE-04, Table III-7, showing September 2023 *Ex Ante* Peak Load Impacts.

[69] SCE-02, at 4:4-12.

- $2.889 million for marketing, education, and outreach; and
- $6.21 million for portfolio support.

Of the $130.1 million proposed for supply-side DR programs, $5.14 million is requested as carryover budget from DR program activities approved by the Commission in D.21-03-056 to address emergency reliability risks. This money was used in 2022 to support SCE's Summer Discount Program.[70]

### 6.2. Cal Advocates Comments on SCE Proposed $5.14 million for Summer Discount Program

Cal Advocates, in Opening Testimony and comments, argues that the $5.14 million in SCE's budget for the Summer Discount Program (SDP) should not be approved, as the funding originally approved for this purpose in Rulemaking 20-11-003 was meant to be a one-time cost.[71] Cal Advocates argues that the funding approved in D.21-03-056 was meant to cover marketing and sign-up bonuses, as well as the purchase of new load control devices, to increase SDP enrollment in 2021 and 2022.[72] The funding, in Cal Advocates estimation, is no longer needed to maintain current SDP enrollment, as the average customer participates for six to nine years.[73] Cal Advocates also argues that spending $5.14 million to maintain the SDP would not be reasonable, given decreases in SDP participation despite increased spending on marketing and device purchases.[74]

[70] SCE-02, at 9, footnote 10.

[71] CalAdvocates-01, at 1-7:3-22.

[72] Cal Advocates Phase I Opening Brief, August 22, 2022, at 9.

[73] *Id.*

[74] *Id.*

SCE counters that although the funding was originally provided for SDP funding in 2021 and 2022, this money would not be specifically carved out for the same purpose in the 2023 bridge year.[75] SCE did not provide budgets for individual programs and activities, and instead proposes to maintain the same overall funding for its supply-side DR programs from 2022 to 2023. The $5.14 million would be subsumed into the greater $130.1 million supply-side DR budget, for use on the full range of its supply-side DR programs, which includes the BIP, CBP, Smart Energy Program, and SDP.[76] SCE notes that any unspent authorized funds will be returned to ratepayers.[77]

The Council supports SCE's proposal, but suggests that should SCE be unable to enroll another 30,000 new customers and install another 60,000 new load control devices, any unused 2023 budget should be shifted to the SEP for the 2024-2027 period.[78]

Although SCE's application is not as forthcoming with the budgeting for its supply-side DR programs as would be expected, it is reasonable to increase its budget by the amount previously authorized for all programs in 2022. Any unspent funds shall be returned to ratepayers, and the $5.14 million plus any associated escalation is a less than five percent increase to SCE's 2022 supply-side DR budget of $124.8 million.[79] SCE's full requested supply-side DR budget of $130.1 million is approved. The Council's request to shift any unused 2023

[75] SCE Phase I Opening Brief, August 22, 2022, at 5; SCE-06, at 2:4-20.

[76] *Id.*, at 2.

[77] SCE-06, at 2:20.

[78] The Council Phase I Opening Brief, August 22, 2022, at 5.

[79] SCE-02, at 5, Table III-1.

budget to 2024-2027 is premature and may be addressed in Phase II of this proceeding.

### 6.3. Programmatic Analysis

SCE's proposal did not contain any programmatic changes to its DR portfolio. SCE's 2023 Bridge Funding Program and Budget proposal consists of the following, which went unopposed in testimony and comments:

- Supply-Side DR programs, consisting of the Agricultural and Pumping Interruptible (AP-I) Program, BIP, CBP, SEP, and SDP;
- Load-Modifying DR programs, consisting of the OBMC and SLRP;
- Direct Participation Rule 24;
- Emerging and Enabling Technology Programs, consisting of the Programmable Communicating Thermostat (PCT) Incentive Program, Auto DR, and Emerging Markets &Technology program;
- Pilots, consisting of the ELRP (including the Power Saver Rewards Program), Mass Market Demand Response (MMDR), Flexible Demand Response Pilot;[80]
- Marketing, Education, and Outreach, which includes customer segmentation and targeting, marketing strategy, automated personalized communication, and digital customer experience enhancements; and
- Portfolio support.

These amounts are relatively unchanged from SCE's 2022 approved DR program budget, save an escalation adder and the aforementioned SDP budget.[81] It is reasonable to continue SCE's programs to ensure continued operation

[80] Although presented in this application, these pilots and corresponding funding were authorized in D.21-12-015 and were not included in SCE's funding request. *See* SCE-02 at 6:13-7:2.

[81] SCE-02, at 5, Table III-1.

through 2023 while this proceeding considers SCE's 2024-2027 DR program proposals. We find SCE's total proposed 2023 Bridge Year Budget proposal of $150.989 million reasonable.

### 6.4. Cost Recovery

SCE proposes to recover revenue requirements of $150.989 million, including Franchise Fee and Uncollectibles (FF&U), effective January 1, 2023, utilizing the Demand Response Program Balancing Account (DRPBA), for recovery in distribution rates. No party contested this rate recovery proposal. In D.17-12-003, the Commission authorized SCE to record the difference between DR program annualized funding (tracked in the Base Revenue Requirement Balancing Account, or BRRBA) and incurred DR program expenses in the DRPBA. D.17-12-003 also required SCE to track incentives to the DRPBA, and then record the balances in the BRRBA, because its 2018-2022 DR program budget proposal did not explicitly include customer incentives as budget line items.[82] SCE's proposed 2023 DR budget includes incentives as line items.[83] SCE's proposed cost recovery method is therefore reasonable and approved.

### 6.5. Conclusion

SCE's 2023 Bridge Year Funding Proposal is approved as proposed for a total authorized funding of $150.989 million.

## 7. SDG&E Application

SDG&E requests a total of $172.382 million for its DR program from 2023-2027.[84] SDG&E plans to focus on new customer and aggregator recruitment

[82] D.17-12-003, at 28.

[83] SCE-02, at 12, Table VI-5.

[84] SDG&E Application, at 2-3.

as well as a transition to CBP Elect and Smart Thermostat programs, and newer pilots.[85] SDG&E also plans to replace or eliminate older programs.

### 7.1. SDG&E 2023 Bridge Year Funding Proposal

SDG&E requests $15.798 million for its 2023 Bridge Year DR program budget.[86] SDG&E received authorization to recover $15.767 in 2022.[87] This request consists of:

- Supply-Side DR programs, including BIP, CBP, AC Saver, Heat Pump Water Heaters, and Prohibited Resources activities;
- an ELRP Pilot, with funding as approved in D.~~21-12-003~~21-12-015;
- Technology Deployment and Incentive programs, as well as Emerging Technology DR research;
- Rule 32 operational support for third-party DR providers; and
- Related support activities.

SDG&E projects a TRC of 0.2 for this 2023 Bridge Year DR program.[88] Only Cal Advocates filed comments on SDG&E's Proposal.

### 7.2. Cal Advocates Comments on Budget for Residential CBP Pilot

SDG&E's Residential CBP is a DR program that provides residential customers the opportunity to earn incentive payments in exchange for reducing electric demand. SDG&E's residential CBP Pilot was approved in the 2018-2022 DR cycle and was scheduled to end in 2021. D.21-12-015 authorized SDG&E to

85 *Id.*, at 5.

86 SDG&E-6A, at 1:16.

87 D.17-12-003, Attachment 3, at 8.

88 SDG&E-1A, at 3:18-20

continue the program through 2022. SDG&E requests $708,000 to continue the program through 2023. SDG&E proposes to conduct an evaluation following the pilot that considers the load impacts, customer load reduction effectiveness, and potential improvements. [89]

Cal Advocates filed testimony and comments stating that SDG&E's request to continue its Residential Capacity Bidding Program should be denied. Cal Advocates states that the original pilot, set to run from 2021-2022 per SDG&E advice letter[90], had the same objectives as the proposed 2023 evaluation of the residential CBP Pilot. Cal Advocates also notes that SDG&E already presented analysis of its CBP Pilot program during its mid-cycle review, including two outside studies.[91] Cal Advocates points out that PG&E and SCE are both operating residential CBP programs, which will provide learning outcomes similar to any SDG&E program. Because SDG&E's residential CBP would not test a new concept or address a gap in its DR programs, and given that SDG&E has already had an opportunity to test residential CBP, and can now learn from PG&E and SCE's programs, Cal Advocates argues that SDG&E's request for funding for a 2023 residential CBP pilot should be rejected.[92]

SDG&E states that additional data is needed before determining whether the residential CBP should be turned into a permanent program.[93] This includes testing hypotheses related to aggregator and customer experience, resource bidding potential, and incorporating refinements from PG&E and SCE's

[89] SDG&E-4A-Appendix A.

[90] Cal Advocates Phase I Opening Brief, August 22, 2022, at 11, footnote 47.

[91] Cal Advocates Phase I Opening Brief, August 22, 2022, at 10-11.

[92] *Id.*, at 11.

[93] SDG&E-8A, at 2:5-14.

programs. The Council states that the pilot should be approved, noting that there will be a gap in SDG&E's pilot, if the programs are made permanent in 2024.[94]

Given that there remains an outstanding question of the potential of the residential CBP Pilot, as shown by the fact that PG&E and SCE are operating their own pilots, it is reasonable to have SDG&E continue its own. SDG&E will be able to further refine its research and conclusions. Additionally, if the program is approved in Phase II of this proceeding the loss of customers due to a gap year in 2023 would be disadvantageous. SDG&E's residential CBP Pilot is approved for the 2023 Bridge Year.

### 7.3. Program Changes Unaddressed by Intervenors

SDG&E's original smart meters utilized ZigBee technology as the basis for sending meter data to management systems. SDG&E now proposes to discontinue support for ZigBee technology, given customer shifts to wireless internet (Wi-Fi) device communications as well as plans to solicit for new smart meters in the near future.[95] SDG&E will end new ZigBee device connections in 2023, with plans to educate customers regarding their ZigBee devices when their smart meters are replaced, which will end ZigBee device functionality. Given the move towards Wi-Fi and lack of vendors supporting ZigBee, it is reasonable to end funding for ZigBee support as proposed by SDG&E.

SDG&E proposes to end the Over-Generation Pilot and Armed Forces DR Pilot. It requested approval to end these pilots in AL-3522-E.[96] The Armed Forces DR Pilot no longer has a willing participant in the Navy to conduct the

[94] The Council Phase I Opening Brief, August 22, 2022, at 5-6.

[95] SDG&E-1A, at 19:15- 20:19.

[96] SDG&E-1A, at 14:3-7, footnote 22.

program, while the Over-Generation Pilot is nowhere near cost-effective.[97] No party contested the request to terminate these programs. The request is approved.

### 7.4. Programmatic Analysis

SDG&E's proposal did not contain any programmatic changes to its DR portfolio, as discussed above. SDG&E's 2023 Bridge Funding program and budget proposal consists of the following, at the same funding levels as 2022:

- $5.452 million for Supply-Side DR programs, such as the AC Saver, BIP, CBP, and SEP;
- $1.439 million for SDG&E Rule 32 activities, including IT;
- $2.084 million for Emerging and Enabling Technology Programs;
- $708,000 for a Residential CBP Pilot;
- $611,000 for Marketing, Education, and Outreach Activities; and
- $5,505 million for Portfolio Support, which includes IT, regulatory policy and program support, and evaluation, measurement, and verification.

No party objected to SDG&E's proposal, except as discussed above with regards to the Residential CBP Pilot. It is reasonable to continue SDG&E's programs to ensure continued operation through 2023 while this proceeding considers SDG&E's 2024-2027 DR program proposals. As discussed below, SDG&E is also authorized to recover $75,000 for prohibited resources audits. SDG&E's 2023 Bridge Year DR programs and Budget as proposed are reasonable and approved, with a total authorized funding of $~~15.767~~15.873 million.

### 7.5. Cost Recovery

[97] AL-3522-E, at 6.

SDG&E proposes to recover DR program costs by recording them into the Advanced Metering and Demand Response Memorandum Account (AMDRMA), as currently authorized for 2022.[98] Costs are divided into subaccounts based on the type of cost. For example, costs related to support for programs available to all customers are recorded into the Distribution AMDRMA subaccount for recovery in electric distribution rates the following year,[99] whereas costs related to programs available only to electric bundled customers are recorded in the Generation subaccount, for recovery from bundled customers through electric commodity rates or via the Energy Resource Recovery Account.[100]

SDG&E seeks authorization to recover its Electric Rule 32 costs in the Direct Participation Demand Response Memorandum Account, for recovery through distribution rates after transfer to the Rewards and Penalties Balancing Account.[101] SDG&E also seeks to recover its electric revenues and incremental costs, up to SDG&E's annual administration cap authorized to be incurred in D.21-03-056 and D.21-12-015, in the Emergency Load Reduction Balancing Account, for recovery through distribution rates after transfer to the Rewards and Penalties Balancing Account.

No party addressed SDG&E's cost recovery proposal. It is reasonable for SDG&E to continue the current cost recovery method for DR programs and activities.

[98] SDG&E-6A, at 3:2-9, D.17-12-003, at 140.

[99] SDG&E-6A, at 3:16-20.

[100] SDG&E-6A, at 4:2-10.

[101] Approved via D.15-03-042, at 67-78, Ordering Paragraph 14.

SDG&E also requests permanent authorization to fund-shift between DR program budget categories by filing a Tier 3 Advice Letter as approved in D.20-05-009.[102] SDG&E states that fund-shifting allows flexibility to meet needs going forward. A Tier-3 Advice Letter process ensures sufficient Commission oversight for fund-shifting requests, to verify that the requested flexibility is justified. This request is reasonable and approved.

### 7.6. Conclusion

SDG&E's 2023 Bridge Year DR programs and Budget are approved as requested, with a total authorized funding of $~~15.767~~15.873 million.

## 8. Non-IOU Specific Issues

SBUA and OhmConnect both submitted comments proposing programmatic DR changes, as discussed below. Additionally, there remains an open question of what annual Prohibited Resources verification will be completed and how it will be funded.

### 8.1. OhmConnect Proposal to Modify ELRP with On-Ramp for Market-Integrated DR Programs

OhmConnect, in testimony and comments, proposes that the ELRP be modified to create an on-ramp to market-integrated DR programs in order to help prevent and respond to emergencies.[103] With regards to the first proposal, OhmConnect proposes to utilize the group A.6 (residential ELRP) budget in 2023 to create an on-ramp to more frequently dispatched DR programs.[104] OhmConnect states that the residential ELRP has high up-front administrative costs,[105] regardless of the number of Flex Alerts called (which trigger the

[102] SDG&E-6A, at 7:2-13.

[103] OhmConnect-1, at 1:24-27; OhmConnect Phase I Opening Brief, August 22, 2022, at 2-9.

[104] OhmConnect-1, at 2:6-9.

[105] OhmConnect-1, at 3:3-8.

residential ELRP). The residential ELRP program suffers from low awareness, both of its existence and registered customer recognition of when events are called.[106] The value of the program to the CAISO during an emergency is therefore low, given the uncertain load drop.[107] Additionally, the compensation to customers is not high enough to generate meaningful load reduction.[108]

Given these realities, OhmConnect suggests that the funding set aside for the residential ELRP should also be allocated towards implementing an on-ramp component to the ELRP, whereby ELRP administrators would be required to utilize existing marketing, education, and outreach channels to provide customers with information about available IOU, non-IOU Load Serving Entity (LSE), and third-party DR programs.[109] This could potentially provide customers with information to choose a DR program more suited for their needs and interests.[110] OhmConnect states that there would be no additional IT requirements.

Comments and testimony against the proposal have been filed by PG&E, SCE, SDG&E, and Cal Advocates. PG&E notes that the proposal would require PG&E to make changes to the currently planned residential ELRP and Flex Alert paid media campaigns.[111] There would be insufficient time to implement this proposal, and PG&E already conducts marketing efforts on behalf of the

[106] *Id.*, at 4:1-20.

[107] *Id.*

[108] *Id.*, at 5:6-14.

[109] OhmConnect-1, at A-1.

[110] *Id.* at A-2.

[111] PG&E-3, at 1-19:28-1-10:19; PG&E Phase I Opening Brief, August 22, 2022, at 24.

third-party DRPs.[112] It would be inappropriate to utilize funds meant for an emergency reliability pilot to support marketing on behalf of DR providers for their separate market-integrated programs.[113] SDG&E and SCE, noting that the IOUs already have information on the third parties on their webpages[114] and that the Utilities should not be responsible for ensuring customer access to third-party DRPs.[115] Cal Advocates agrees with the IOUs noting that there is not enough time to appropriately consider this change, and that use of the ELRP to market on behalf of DRPs for separate programs would be unreasonable.[116]

Comments and testimony in favor of the proposal have been filed by the Council. The Council suggests that the proposal "would likely require very little incremental budget to implement and would only result in more residential participation in market integrated DR."[117] The Council also suggests costs to ratepayers would not be increased, and funds would not benefit third-parties exclusively. In response to other party comments about the lack of time to implement the proposal, OhmConnect notes that the implementation time in Phase II will be similarly shortened, such that the Utilities will already be planning for the next year by the time a decision is issued.[118]

[112] PG&E Phase I Opening Brief, August 22, 2022, at 24-25.

[113] *Id*., at 25.; SDG&E Phase I Opening Brief, August 22, 2022, at 7, noting it would be "premature to assume that these customers will not respond to event notices without gathering evidence to the contrary" and that these efforts would not make the ELRP more effective.

[114] SDG&E Phase I Opening Brief, August 22, 2022, at 6.

[115] SCE Phase I Reply Brief, September 2, 2022, at 3.

[116] Cal Advocates Phase I Opening Brief, August 22, 2022, at 12-13.

[117] The Council Phase I Opening Brief, August 22, 2022, at 6.

[118] OhmConnect Phase I Reply Brief, September 2, 2022, at

Given the expedited nature of this Phase I, this proposal cannot be adequately considered at this time. This proposal would require the Utilities to alter programs and activities and has been introduced too late to consider in this truncated Phase I. The parties have also raised policy issues related to this change that require further consideration. We decline to approve OhmConnect's On-ramp proposal at this time, and OhmConnect may propose it again in Phase II of this proceeding.

### 8.2. OhmConnect Proposal for ELRP Trigger to be Updated for Group B.1 Customers to include the Flex Alert

The ELRP is a pilot program triggered during grid emergencies, as called by the CAISO's Alert, Warning, or Emergency (AWE) Process, or a CAISO-issued Flex Alert. The CAISO has recently transitioned to a series of notifications that match the North America Electric Reliability Corporation's Energy Emergency Alert (EEA) System. Among the options the CAISO has to call a notification are a Flex Alert, which is a call on consumers to voluntarily conserve energy, an EEA Watch, where market participants are asked to provide supplemental energy, or Energy Emergency Alert 1, 2, or 3, which indicate a forecasted energy shortfall that can lead to rotating power outages.[119] Customers are split into various groups based on their status as an aggregator, or residential or non-residential customer. Group A.6 consists of Residential ELRP customers.[120] Group B.1 consists of Third-Party DRP customers, which includes residential and non-residential.

[119] CAISO Emergency Notifications Fact Sheet, at Emergency-Notifications-Fact-Sheet.pdf (caiso.com)

[120] D.21-12-015, at 46.

As it stands, the Flex Alert is the trigger for the Group A.6 residential ELRP program,[121] but for Group A.1-A.5, as well as all Group B customers, including residential customers participating in the ELRP via third-party DR providers (Group B.1), the trigger is the day-ahead EEA Watch.[122] OhmConnect recommends in testimony and comments that the ELRP Trigger for Group B.1 residential customers be updated to also include the Flex Alert.[123] OhmConnect argues that this change would reduce confusion by unifying residential savings alerts and properly incentivize customers to load drop on days where there is the most need.[124]

The Utilities and Cal Advocates recommend denying OhmConnect's proposed change. PG&E notes that in D.21-12-015 the Commission specifically decided that due to Residential ELRP being in its infancy, more time is needed before deciding to add the Flex Alert as a trigger.[125] SCE notes that it should be up to each IOU, LSE, or DRP to ensure its customers understand event notification notices, and that OhmConnect's proposal would create confusion and inequities amongst ELRP DRPs and aggregators that cannot separately notify and dispatch residential customers from their non-residential customers.[126] SDG&E notes that adding a Flex Alert as a trigger to group B.1 as proposed would create an unlevel playing field between DRPs in B.1 and aggregators in

[121] *Id*., at 60.

[122] D.21-12-015, at 43, states that Warnings or Emergencies, per the AWE Process, trigger Group B resources; see also at 143, Ordering Paragraph 59, noting that a day-of-trigger applies to all except for group A.6.

[123] OhmConnect-1, at 6:11-15.

[124] *Id*., at 6:16-8:4.

[125] PG&E-3, at 1-11:6-21.

[126] SCE Phase I Reply Brief, September 2, 2022, at 4.

group B.2.[127] Confusion could also be created due to signals being sent to customers enrolled in multiple programs.[128] PG&E notes this could also create operational challenges in managing resource availability, due to unforeseen circumstances in maximum annual dispatch hours.[129] Cal Advocates agrees with PG&E that OhmConnect has not shown that the Commission erred in the design of the ELRP.[130]

The Council states that the Flex Alert should be the trigger for all residential ELRP, as this would simplify implementation and the Flex Alert is a well-established brand whose use would increase program performance.[131] OhmConnect disagrees with the Utilities' characterization of the difficulty of applying ELRP event triggers to specific subsets of customers, and states that the Utilities should have the ability to message the specific classes of customers, in this case residential, that the Flex Alert trigger would apply to.[132]

Although OhmConnect's arguments are well taken, we decline to make this change at this time, given the potential for issues with the implementation of this change, since Group B.1 does not only consist of residential customers. The DRPs serving non-residential customers in Group B.1 already receive capacity payments from RA and energy payments from participating in CAISO markets. Implementing this change now could cause double payments or confusion

127 SDG&E-7A, at 6:21-7:3.

128 *Id.*, at 7:4-16.

129 PG&E Phase I Reply Brief, September 2, 2022, at 5.

130 Cal Advocates Phase I Opening Brief, August 22, 2022, at 13-14.

131 The Council Phase I Reply Brief, September 2, 2022, at 2.

132 OhmConnect Phase I Opening Brief, August 22, 2022, at 7-8; OhmConnect Phase I Reply Brief, September 2, 2022, at 4-5.

amongst participants about when they will or will not receive payments. We decline to implement OhmConnect's proposal at this time.

### 8.3. SBUA Proposal to Utilize Societal Cost Test to Determine Cost-Effectiveness of Programs

Currently, the Total Resource Cost test is utilized to calculate the cost-effectiveness of DR programs, as dictated by the 2016 DR Cost-Effectiveness Protocols. SBUA, in testimony and comments, recommends that the cost-effectiveness of DR programs be calculated using the Societal Cost Test, along with the Program Administrator Cost test as a supplemental test.[133] SBUA suggests that the TRC test has caused underinvestment in programs that are difficult to quantity with an avoided cost framework, including programs that focus on disadvantaged communities.[134] SBUA states that by changing to the Societal Cost Test, the scope of included costs could be expanded to address societal impacts, instead of just impacts to utilities and ratepayers. Such impacts could include the value of reduced greenhouse gas emissions, and health impacts due to decreased air pollution. This would allow for comparison to the cost-effectiveness of other distributed energy resources.[135]

SDG&E states that updating of the cost-effectiveness protocols should take place separately from the approval process for the Utilities' 2023 and 2024-2027 DR programs. Prioritizing the use of one cost-effectiveness test over another in the DR program portfolio proceeding would be difficult.[136] SCE,

[133] SBUA Phase I Opening Brief, August 22, 2022, at 3; SBUA-1, at 7:19-10:3.

[134] *Id.*, at 4.

[135] *Id.*

[136] SDG&E-8, at 1:16-2:16.

PG&E, the Council, and Cal Advocates all state that this issue is not within the scope of this Phase I.[137]

The Commission agrees with parties that this proposal is out of scope for Phase I. SBUA, in its reply brief, agreed to delay consideration of this issue until Phase II of this proceeding, given other proceedings which may provide relevant information, including the successor to the Integrated Distributed Energy Resources proceeding.[138]

### 8.4. SBUA Comments on Supply-Side DR Policies Promulgated in D.21-12-015

SBUA in comments proposes that the Commission focus on policy directives set out in D.21-012-015, including:

- Directing PG&E to integrate into supply-side DR programs its out-of-market residential smart thermostat control pilot program as supply-side demand response;
- Ensure that third-party DRPs have access to smart thermostat technology incentive budget rebates for supply-side DR programs;
- Directing Utilities to indicate their budget allowances to run their integrated energy efficiency and DR programs when implementing the Integrated Demand-Side Management Guidance; and
- Encouraging the siting of energy storage resources in places that will favor local reliability and disadvantaged communities.

PG&E's reply comments note that the above programs are in the summer reliability proceeding (R.20-11-001) and compliance will be dealt with in that proceeding, and are out of scope in this Phase I.[139]

[137] PG&E-3, at 1-5:3-6, SCE-06, at3:10-18; Cal Advocates Phase I Opening Brief, August 22, 2022, at 11-12; The Council Phase I Reply Brief, September 2, 2022, at 4-5.

[138] SBUA Phase I Reply Brief, September 2, 2022, at 2.

[139] PG&E Phase I Reply Brief, September 2, 2022, at 6.

The Commission agrees with PG&E. This Phase I is not the time to consider these proposed changes to Utilities' programs, as suggested by SBUA. SBUA may propose these changes in Phase II, if they are in scope.

### 8.5. Annual Prohibited Resources Verification

The Utilities did not all propose annual Prohibited Resources verification audits for Phase I. ~~Only~~ SCE requested $150,000 for 2023 audits, or 40% of the $375,000 as allotted in Res. E-4906~~. Neither~~, while PG&E ~~nor SDG&E requested~~did not provide an exact total but states it is already covered within its proposed budget[140]. SDG&E did not initially request additional funding for audits, although Res. E-4906 granted ~~them 40 percent and~~SDG&E 20 percent of the $375,000, ~~respectively~~or $75,000, to pay for this audit. D.16-09-056 directed the Utilities to file proposed audit verification plans,~~[140]~~[141] and did not specify an expiration of this requirement. SCE and SDG&E also requested that they be allowed to pay the PR audit for the 2022 program year with 2018-2022 authorized funding, even if some of those payments are made during calendar year 2023.~~[141]~~[142] SCE also requested the authority to shift funding from its DR programs in Budget Category 1 to its Evaluation, Monitoring & Verification program budget through a Tier 1 AL to fund the audits.

This Decision confirms that the Utilities are still required to complete the annual verification audit, as required by E-4906, and confirms that they have fund-shifting authority to utilize 2018-2022 funding to pay for the 2022 audit payments occurring in 2023. It is reasonable to allow the Utilities to fund shift to

[140] PG&E Comments to Phase I Decision, at 4.

~~[140]~~[141] D.16-09-056, at 97

~~[141]~~[142] SCE-03, at 107:1-7; SDG&E-01A, at 9:7-15.

pay for this expense via a Tier 1 AL, given that incremental funding is not being provided.

## 9. Conclusion

The Utilities' DR programs for the 2023 Bridge Year are approved, as discussed above.

## 10. A.22-05-002 Outstanding Motions

This decision affirms all rulings made by the Administrative Law Judge (ALJ) in A.22-05-002, *et al*. Cal Advocates outstanding Motion to Dismiss SDG&E's 2024-2027 Application, filed August 26, 2022 is not implicated in this 2023 Bridge Year Phase I Decision, and will be addressed at a later date.

## 11. Comments on Proposed Decision

On October 25, 2022, an administrative law judge ruling directed the parties to meet and confer and file a Joint Response to a proposal to shorten the comment period for this Decision, so that this Decision could be considered at the Commission's December 1, 2022 meeting. On October 27, 2022, a Joint Response (Joint Response) of Parties to Administrative Law Judge Ruling Requesting Parties to Expressly Stipulate or Expressly Decline to Stipulate to Shorten Time for Comments on the Phase 1 Proposed Decision, was filed by Pacific Gas and Electric Company on October 27, 2022. In the Joint Response, the parties agreed to a shortened comment period should the Decision mail by November 4, 2022. No objections were lodged. Opening ~~comments on this Decision are therefore due~~Comments were filed on November 17, 2022 by PG&E, SCE, SDG&E, Cal Advocates, and ~~reply~~the Council. Reply comments ~~are due~~were filed on November 22, 2022~~. Comments were filed ____________ and reply comments were filed on _______________ by ______________~~ by SCE. PG&E and the Council argue that PG&E's request for higher CBP Program incentives as well as expedited CBP payments should be granted. For reasons already discussed, those changes continue to be declined.

Cal Advocates requested clarification of its argument surrounding PG&E's proposed CBP Program Hours modification, with corresponding edits made to this Decision.[143] Cal Advocates also again requested that SCE's proposed budget increase of $5.14 million be denied as unreasonable.[144] For reasons previously stated this request is denied.

SDG&E noted that it did not previously request funding for a Prohibited Resources verification audit, and requested a $75,000 budget for it. This request is reasonable and approved. It also noted errors in the proposed decision related to its budget request as well as related to ordering paragraphs regarding cost recovery carryover. Appropriate changes have been made. PG&E and SCE also recommended minor language changes to the ordering paragraphs regarding Prohibited Resources verification audits, and corresponding edits have been made.

## 12. Assignment of Proceeding

John Reynolds is the assigned Commissioner and Jason Jungreis and Garrett Toy are the assigned ALJs.

## Findings of Fact

1. Approval of PG&E's, SCE's, and SDG&E's 2023 DR programs and activities is required before the end of 2022 to ensure program continuity.
2. DR will not be required to be included in RA supply plans before 2025.
3. PG&E's 2022 DR program budget was $64.89 million.

[143] Cal Advocates Opening Comments on Proposed Decision, at 2.

[144] *Id.*, at 1-2.

4. CAISO's Availability Assessment Hours from May to October are 4:00 PM to 9:00 PM.

5. By the end of 2023 PG&E will likely not have the Information Technology capacity to service the number of authorized accounts subject to PG&E Electric Rule 24 registration and data sharing requirements.

6. PG&E's proposed 2023 DR programs and activities are substantially similar to its 2022 DR programs and activities.

7. PG&E's proposed rate recovery methods are the same as approved for its 2018-2022 DR program.

8. SCE's proposed budget for 2023 Bridge Year DR activities is $151 million.

9. The Commission approved recovery of $145 million for SCE's 2022 DR program activities.

10. SCE's proposed 2023 DR programs and activities are substantially similar to its 2022 DR programs and activities.

11. SDG&E requests $15.798 million for its 2023 Bridge Year DR programs and activities.

12. SCE and PG&E are operating residential CBP pilots.

13. SDG&E's additional residential CBP Pilot research is likely to provide additional information that can yield refinements to its program.

14. SDG&E new smart meter customers will not be utilizing ZigBee Technology.

15. For SDG&E customers, there has been decreasing use of ZigBee technology among new customers for communicating meter data.

16. The United States Navy no longer wishes to participate in SDG&E's Armed Forces DR Pilot.

17. Without the United States Navy's participation, SDG&E's Armed Forces DR Pilot has no participants.

18. SDG&E's Over-Generation Pilot is not cost-effective.

19. SDG&E did not request incremental funding for performing its 2023 program year Prohibited Resources verification audit.

20. ~~19.~~ SDG&E's proposed 2023 DR programs and activities are substantially similar to its 2022 DR programs and activities.

21. ~~20.~~ SDG&E's proposed 2023 DR program budget is only $31,000 more than its authorized 2022 DR program budget.

22. ~~21.~~ D.17-12-003 authorized SDG&E to track its DR program costs to the Advanced Metering and Demand Response Memorandum Account.

23. ~~22.~~ D.~~12-12-015~~21-03-056 authorized the creation of the Emergency Load Reduction Balancing Account to track SDG&E's Emergency Load Reduction Program costs.

24. ~~23.~~ D.15-03-042 authorized SDG&E to create a memorandum account to track the costs of third-party DR direct participation costs, including Rule 32 costs.

25. ~~24.~~ The 2023 DR program budget provides no incremental funding for PG&E, SCE, and SDG&E to conduct 2022 ~~prohibited resources~~Prohibited Resources verification audits.

26. ~~25.~~ Fund-shifting allows for DR program budget flexibility, ensuring that PG&E, SCE, and SDG&E are able to meet unforeseen budgetary needs.

27. ~~26.~~ No party objected to a shortened comment period for this Decision.

## Conclusions of Law

1. Due to the expedited schedule of this Phase I, it is reasonable to delay until Phase II of this proceeding consideration of PG&E's proposed CBP

RA-related changes as well as PG&E's proposed electronic enrollment process changes.

2. PG&E's electronic enrollment process should be continued on a pilot basis through 2023.

3. Due to the expedited schedule of this Phase I, it is reasonable to approve PG&E's, SCE's, and SDG&E's proposed 2023 DR programs, activities, and budgets, where the proposals are similar to their respective 2022 DR programs, activities, and budgets.

4. It is reasonable to align PG&E's CBP hours with CAISO Availability Assessment Hours.

5. PG&E's proposed change to its 2023 CBP program hours to 4:00 PM to 9:00 PM is reasonable.

6. PG&E has not provided sufficient justification to support its proposed change to the incentive levels of the CBP.

7. PG&E has not provided sufficient justification to support its proposed change to the method of payment for CBP Aggregators.

8. It is reasonable to reduce PG&E's proposed budget for 2023 DR funding by $1.31 million to reflect a reduction in its proposed CBP incentive levels.

9. PG&E's Rule 24 proposed IT enhancements are reasonable.

10. PG&E's proposed 2023 Bridge Year DR programs and activities, subject to the changes discussed in this Decision, are reasonable.

11. It is reasonable to increase PG&E's DR programs and activities budget by $3,065,528 to meet increased costs.

12. PG&E's 2023 budget increase over its 2022 authorized DR program budget is reasonable.

13. PG&E should be authorized to recover $67,957,528 for its 2023 Bridge Year DR program activities.

14. PG&E's proposed 2023 Bridge Year cost recovery methods are reasonable as they are consistent with the method of cost recovery approved for its 2022 DR program.

15. The proposed escalation adders in SCE's 2023 Bridge Year DR budget are reasonable.

16. SCE's proposal to increase its 2023 DR program budget by amounts previously budgeted for the Summer Discount Program, as well as escalation adders, is reasonable, where any unspent funds will be returned to ratepayers.

17. SCE's 2023 budget increase over its 2022 authorized DR program budget is reasonable.

18. SCE's proposed 2023 Bridge Year programs and activities are reasonable.

19. SCE should be authorized to recover $ 150.989 million for its 2023 Bridge Year DR program activities.

20. SCE's proposed method of rate recovery is reasonable and consistent with the method of cost recovery approved for SCE's 2022 DR program.

21. A loss of customers in SDG&E's residential CBP Pilot would prove detrimental if the program is later approved for 2024.

22. It is reasonable to approve SDG&E's residential CBP Pilot for one more year, since PG&E and SCE are also running residential CBP Pilots.

23. It is reasonable to discontinue ZigBee technology support for SDG&E.

24. It is reasonable to end SDG&E's Over-Generation Pilot because it is not cost-effective.

25. It is reasonable to end SDG&E's Armed Forces DR Pilot because the program cannot procure participants as designed.

26. SDG&E's proposed 2023 Bridge Year DR programs and activities are reasonable.

27. SDG&E's proposed 2023 Bridge Year DR budget increase is reasonable.

28. SDG&E proposed 2023 Bridge Year DR budget is reasonable.

29. SDG&E should be authorized to recover $75,000 for its 2023 Prohibited Resources verification audit.

30. ~~29.~~ SDG&E should be authorized to recover $~~15.767~~15.873 million for its 2023 Bridge Year DR program activities.

31. ~~30.~~ SDG&E's proposed rate recovery methods are reasonable and consistent with the method of cost recovery approved for its 2022 DR program.

32. ~~31.~~ Due to the expedited schedule of this Phase I, OhmConnect's proposals to modify the ELRP and Small Business Utility Advocates' proposals to utilize the Societal Cost Test and require utilities to follow Supply-side DR policies are out of scope for Phase I of this proceeding.

33. ~~32.~~ D.16-09-056 and Resolution E-4906 requires the Utilities to perform Prohibited Resource Audits.

34. ~~33.~~ Resolution E-4906 grants the utilities a total of $375,000 to conduct the Prohibited Resource audits, in a 40/40/20 split.

35. ~~34.~~ A Tier 3 Advice letter ensures sufficient Commission oversight of fund-shifting requests.

36. ~~35. Utilizing~~PG&E and SCE utilizing unspent and uncommitted 2018-2022 DR program cycle funds to cover 2023-2027 funds is reasonable.

37. ~~36. Utilizing~~PG&E and SCE utilizing unspent and uncommitted 2023 Bridge Year DR program funds to cover 2024-2027 funds is reasonable.

38. ~~37.~~ It is reasonable to allow PG&E, SDG&E, and SCE to utilize 2018-2022 DR program funds to pay for 2022 ~~prohibited resources~~Prohibited Resources

audit payments occurring in 2023, since the costs are related to 2022 activities and where no incremental funding is being provided for those costs.

39. ~~38.~~ PG&E, SCE, and SDG&E should be authorized to seek approval for fund-shifting between DR program budget categories by submitting a Tier 3 Advice Letter for the 2023-2027 DR program cycle.

40. ~~39.~~ It is reasonable to allow PG&E~~, SDG&E,~~ and SCE to carry over unspent and uncommitted funds from the 2018-2022 DR program years to offset DR revenue requirements for the 2023-2027 DR program cycle.

41. ~~40.~~ The following exhibits should be received into evidence: Exhibits SCE-01, SCE-02, SCE-03, SCE-04, SCE-05, SCE-06, PG&E-01, PG&E-3, PG&E-5, SDG&E-1A, SDG&E-2A, SDG&E-3A, SDG&E-4A, SDG&E-5A-R, SDG&E-6A, SDG&E-7A, SDG&E-8A, CalAdvocates-01, Council-01, OhmConnect-1, and SBUA-1.

## ORDER

**IT IS ORDERED** that:

1. Pacific Gas and Electric Company shall recover its 2023 Bridge Year Demand Response revenue requirement of $67,957,528 through distribution rates using the Distribution Revenue Adjustment Mechanism by filing Annual Electric True-up Advice Letters. Pacific Gas and Electric Company shall continue using the Demand Response Expenditure Balancing Account to track Demand Response program expenses and authorized budget.

2. Southern California Edison Company shall recover its 2023 Bridge Year Demand Response revenue requirement of $150.989 million through the Demand Response Program Balancing Account, for recovery in distribution rates.

3. San Diego Gas & Electric Company shall recover its 2023 Bridge Year Demand Response Program Portfolio budget of $~~15.767~~15.873 million, and shall

recover its 2023 Bridge Year Demand Response program costs as requested in its Advanced Metering and Demand Response Memorandum Account for recovery in distribution rates.

4. San Diego Gas & Electric Company shall recover its Electric Rule 32 costs through the Direct Participation Demand Response Memorandum Account, for recovery through distribution rates after transfer to the Rewards and Penalties Balancing Account.

5. San Diego Gas & Electric Company shall recover its electric revenues and incremental costs, up to its annual administration cap authorized to be incurred in Decision 21-03-056 and Decision 21-12-015, in the Emergency Load Reduction Balancing Account, for recovery through distribution rates after transfer to the Rewards and Penalties Balancing Account.

6. Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company must conduct a prohibited resources verification ~~audits, and are each authorized to use a Tier 1 Advice Letter to shift 2018-2022 funding to pay for the 2022~~ audit ~~payments occurring~~ in 2023. Pacific Gas & Electric Company and Southern California Edison Company ~~shall~~are each ~~receive~~authorized to pay $150,000, and San Diego Gas & Electric Company ~~shall receive~~is authorized to pay $75,000, as allotted by Resolution E-4906. The funds to pay for 2023 Prohibited Resources verification audits shall come from authorized 2023 DR bridge year funding.

7. Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company ~~shall~~may utilize 2018-2022 Demand Response program funding to ~~pay~~make payments in 2023 for the 2022 Prohibited Resources verification audit ~~payments due in 2023~~.

8. Pacific Gas and Electric Company, San Diego Gas ~~&~~and Electric Company, and Southern California Edison Company are authorized to, if necessary, pay for Prohibited Resources verification audits by shifting funding among budget categories, by utilizing a Tier 1 Advice Letter.

9. Pacific Gas and Electric Company and Southern California Edison Company shall each carry over unspent and uncommitted funds from the 2018-2022 program years to offset revenue requirement for the 2023-2027 Demand Response program cycle.

10. ~~9.~~ Pacific Gas and Electric Company~~, San Diego Gas & Electric Company,~~ and Southern California Edison Company shall each carry over unspent and uncommitted operations funds from the 2023 Bridge Year to offset revenue requirement for the 2024-2027 Demand Response program cycle.

11. ~~10.~~ Applications (A.) 22-05-002, A.22-05-003, and A.22-05-004 remain open.

This order is effective today.

Dated _________________, at San Francisco, California.

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